

CHICAGO AND



TRANSPORTATION COMPANY

RECORDATION NO. 8752 Filed & Recorded

March 14, 1977

MAR 18 1977 - 10 AM

File No.: A-9989

INTERSTATE COMMERCE COMMISSION

BERNARD J. ALLEN
DIANE KOHLER-RAUSCH
JOAN A. SCHRAMM
ASSISTANT SECRETARIES
DIRECT DIAL NUMBER
312/454-6534

8752-A
RECORDATION NO. Filed & Recorded

BY MESSENGER

Interstate Commerce Commission

Washington, D. C.

Attn: Mr. Robert L. Oswald, Secretary

MAR 18 1977 - 10 AM

INTERSTATE COMMERCE COMMISSION

Gentlemen:

Enclosed for recordation pursuant to Section 20c of the Interstate Commerce Act are counterparts of the following:

- (1) Reconstruction and Conditional Sale Agreement dated as of 2/1/77, among American National Bank and Trust Company of Chicago, Chicago and North Western Transportation Company, and First National Bank and Trust Company of Evanston, owner trustee
- (2) Lease of Railroad Equipment dated as of 2/1/77, between Chicago and North Western Transportation Company, Lessee, and First National Bank and Trust Company of Evanston, Lessor.
- (3) Assignment of Lease and Agreement, dated as of 2/1/77, between First National Bank and Trust Company of Evanston, Lessor, Vendee, and American National Bank and Trust Company of Chicago, as Agent/Vendor.
- (4) Security Agreement, dated as of 2/1/77, between First National Bank and Trust Company of Evanston and The Detroit Bank and Trust Company.
- (5) Transfer Agreement, dated as of 2/1/77, between First National Bank and Trust Company of Evanston and American National Bank and Trust Company of Chicago.

The addresses of the parties to the aforementioned documents are:

Chicago and North Western
Transportation Company
400 West Madison Street
Chicago, Illinois 60606

RECORDATION NO. Filed & Recorded

MAR 18 1977 - 10 AM

INTERSTATE COMMERCE COMMISSION

Interstate Commerce Commission
Page 2
March 14, 1977

American National Bank and
Trust Company of Chicago
33 North LaSalle Street
Chicago, Illinois 60690

First National Bank and Trust
Company of Evanston
800 Davis Street
Evanston, Illinois 60204

The Detroit Bank and Trust
Company
Fort and Washington Blvd.
Detroit, Michigan 48231

The equipment covered by the aforementioned agreement consists of those GP-7 1500 horsepower diesel-electric locomotives (the part of 25 locomotives) on which reconstruction was begun prior to the Reconstruction Cut-Off Date.

Enclosed are checks totalling \$200.00 for the required recordation fees. Please accept for recordation one counterpart of each of the enclosed agreements, stamp the remaining counterparts with your recordation number, and return them to the delivering messenger along with your fee receipt.

Very truly yours,



Diane Kohler-Rausch
Assistant Secretary

dk:db
Encls.

cc: R. D. Smith
Z. Steiger

RECORDATION NO. 8752-B Filed & Recorded

MAR 18 1977 - 10 12 AM

INTERSTATE COMMERCE COMMISSION

ASSIGNMENT OF LEASE AND AGREEMENT

Dated as of February 1, 1977

between

FIRST NATIONAL BANK AND TRUST COMPANY OF EVANSTON,
as Trustee

and

AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO,
as Agent

ASSIGNMENT OF LEASE AND AGREEMENT

TABLE OF CONTENTS*

	<u>Page</u>
PREAMBLES	1
PARTIES	1
PARAGRAPH 1.	
Assignment by Lessor to Vendor; Application of Payments	1
PARAGRAPH 2.	
Lessor's liabilities under the Lease not assigned to or assumed by Vendor	2
PARAGRAPH 3.	
No modification of the Lease without the Written Consent of Vendor	3
PARAGRAPH 4.	
Vendor to Act for Lessor under the Lease	3
PARAGRAPH 5.	
Termination	3
PARAGRAPH 6.	
Action by Vendor after an event of default	4
PARAGRAPH 7.	
Recording	4

* This Table of Contents has been included in this document for convenience only and does not form a part of, or affect any construction or interpretation of, this document.

Page

PARAGRAPH 8.

Assignments by Vendor 4

PARAGRAPH 9.

Prohibition against liens 4

PARAGRAPH 10.

Law governing 5

PARAGRAPH 11.

Notices 5

PARAGRAPH 12.

Certain rights of Vendor and Lessor 5

PARAGRAPH 13.

Certain obligations and rights of Lessor,
Lessor acting only as Trustee 5

PARAGRAPH 14.

Execution; Counterparts 6

TESTIMONIUM 6

SIGNATURES 7

LESSEE'S CONSENT AND AGREEMENT

ASSIGNMENT OF LEASE AND AGREEMENT dated as of February 1, 1977, by and between FIRST NATIONAL BANK AND TRUST COMPANY OF EVANSTON, not in its individual capacity but solely as Trustee under a Trust Agreement dated as of the date hereof (hereinafter called the Lessor or the Vendee) with certain trust beneficiaries (hereinafter called the Beneficiaries), and AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, not in its individual capacity but solely as Agent (hereinafter called the Vendor), under a Participation Agreement dated as of the date hereof (hereinafter called the Participation Agreement).

The Vendee and the Vendor are entering into a Reconstruction and Conditional Sale Agreement dated as of the date hereof (hereinafter called the Security Document), with Chicago and North Western Transportation Company, in its capacity as builder, providing for the sale to the Vendee of the interest of the Vendor in such units of railroad equipment (hereinafter called the Units) described in Schedule A thereto as are delivered to and accepted by the Vendee thereunder.

The Lessor and Chicago and North Western Transportation Company (hereinafter called the Lessee) have entered into a Lease of Railroad Equipment dated as of the date hereof (hereinafter called the Lease), providing for the leasing by the Lessor to the Lessee of the Units.

In order to provide security for the obligations of the Lessor under the Security Document and as an inducement to the Vendor to invest in the Conditional Sale Indebtedness (as that term is defined in the Security Document), the Lessor has agreed to assign for security purposes its rights in, to and under the Lease to the Vendor.

NOW, THEREFORE, in consideration of the premises and of the payments to be made and the covenants hereinafter mentioned to be kept and performed, the parties hereto agree as follows:

1. The Lessor hereby assigns, transfers and sets over unto the Vendor, as collateral security for the payment and performance of the obligations of the Lessor as Vendee

under the Security Document, all the Lessor's right, title and interest, powers, privileges, and other benefits under the Lease, including, without limitation, the immediate right to receive and collect all rentals, profits and other sums payable to or receivable by the Lessor from the Lessee under or pursuant to the provisions of the Lease whether as rent, casualty payment, indemnity, liquidated damages, or otherwise (such moneys being hereinafter called the Payments), and the right to make all waivers and agreements, to give all notices, consents and releases, to take all action upon the happening of an Event of Default specified in the Lease, and to do any and all other things whatsoever which the Lessor is or may become entitled to do under the Lease. In furtherance of the foregoing assignment, the Lessor hereby irrevocably authorizes and empowers the Vendor in its own name, or in the name of its nominee, or in the name of the Lessor or as its attorney, to ask, demand, sue for, collect and receive any and all sums to which the Lessor is or may become entitled under the Lease, and to enforce compliance by the Lessee with all the terms and provisions thereof.

The Vendor agrees to accept any Payments made by the Lessee for the account of the Lessor pursuant to Section 3 of the Lease. To the extent received, the Vendor will apply such Payments to discharge (as contemplated in clause (A)(2) of the eighth paragraph of Article 3 of the Security Document) the interest accrued and payable on the Notes of the Lessor referred to in the Security Document, to satisfy the obligations of the Lessor under the Security Document, and to provide for the payments required to be made by the Lessor to the Vendor pursuant to Paragraph 9 of the Participation Agreement under which the Vendor is acting as Agent, and so long as no event of default (or event which, with notice or lapse of time, or both, could constitute an event of default) under the Security Document shall have occurred and be continuing, any balance shall be paid to the Lessor not later than the first business day following such receipt by wire transfer of immediately available funds to the Lessor as the Lessor may otherwise direct in writing. If the Vendor receives rental payments on the Cut-Off Date in respect of unpaid accrued interest on the aforementioned Notes, the Vendor will apply such payment to the payment of such interest. If the Vendor shall not receive any rental payment under the first paragraph of Section 3 of the Lease when due, the Vendor shall notify the Lessor at the address set forth in the Lease; provided,

however, that the failure of the Vendor to so notify the Lessor shall not affect the obligations of the Lessor hereunder or under the Security Document.

2. This Assignment is executed only as security and, therefore, the execution and delivery of this Assignment shall not subject the Vendor to, or transfer, or pass, or in any way affect or modify the liability of the Lessor under the Lease, it being understood and agreed that notwithstanding this Assignment or any subsequent assignment, all obligations of the Lessor to the Lessee shall be and remain enforceable by the Lessee, its successors and assigns, against, and only against, the Lessor or persons other than the Vendor.

3. To protect the security afforded by this Assignment the Lessor agrees that, without the written consent of the Vendor, the Lessor will not anticipate the rents under the Lease or waive, excuse, condone, forgive or in any manner release or discharge the Lessee thereunder of or from the obligations, covenants, conditions and agreements to be performed by the Lessee, including, without limitation, the obligation to pay the rents in the manner and at the time and place specified therein or enter into any agreement amending, modifying or terminating the Lease and the Lessor agrees that any amendment, modification or termination thereof without such consent shall be void; provided, however, that the Lessor may amend or supplement the Lease to provide for an increase or decrease of amounts due as rentals under Section 3 thereof and/or Casualty Values under Section 7 thereof provided that no such decrease shall reduce said amounts below that which are necessary to satisfy the obligations of the Lessor under the Security Document, notwithstanding any limitation of liability of the Lessor contained therein.

4. The Lessor does hereby constitute the Vendor the Lessor's true and lawful attorney, irrevocably, with full power (in the name of the Lessor, or otherwise), to ask, require, demand, receive, compound and give acquittance for any and all Payments due and to become due under or arising out of the Lease to which the Lessor is or may become entitled, to enforce compliance by the Lessee with all the terms and provisions of the Lease, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which the Vendor may deem to be necessary or advisable in the premises.

5. Upon the full discharge and satisfaction of all the Lessor's obligations under the Security Document and the Participation Agreement, this Assignment and all rights herein assigned to the Vendor shall terminate, and all estate, right, title and interest of the Vendor in and to the Lease shall revert to the Lessor.

6. If an event of default under the Security Document shall occur and be continuing, the Vendor may declare all sums secured hereby immediately due and payable and may apply all such sums against the amounts due and payable under the Security Document.

7. The Lessor will, from time to time, do and perform any other act and will execute, acknowledge, deliver and file, register, deposit and record (and will refile, re-register, re-record or redeposit whenever required) any and all further instruments required by law or reasonably requested by the Vendor in order to confirm or further assure the interests of the Vendor hereunder.

8. The Vendor may assign all or any of the rights assigned to it hereby or arising under the Lease, including, without limitation, the right to receive any Payments due or to become due. In the event of any such assignment, any such subsequent or successive assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of the Vendor hereunder; provided, however, the Vendee and the Lessee shall not be bound to honor such assignment until they have received written notice thereof. Payment to the assignee of any Payments shall constitute full compliance with the terms of this Agreement and the Lease. Vendee and Lessee may rely on instruments and documents of assignment which they believe in good faith to be true and authentic.

9. The Lessor will pay and discharge any and all claims, liens, charges or security interests (other than such as are created by the Security Document) on the Lease or the rentals or other payments due or to become due thereunder claimed by any party from, through or under the Lessor or the Beneficiaries, or their successors and assigns (other than the Vendor), not arising out of the transactions contemplated by the Security Document or the Lease (but including tax liens arising out of the receipt of the income and proceeds from the Units) which, if unpaid, might become a claim, lien, charge or security interest on or with respect

to the Lease or such rentals or other payments equal or superior to the Vendor's interest therein, unless the Lessor or the Beneficiaries shall be contesting the same in good faith by appropriate proceedings in any reasonable manner and the nonpayment thereof does not, in the opinion of the Vendor, adversely affect such interests of the Vendor.

10. This Assignment shall be governed by the laws of the State of Illinois, but the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act.

11. The Lessor shall cause copies of all notices received in connection with the Lease and all payments hereunder to be promptly delivered or made to the Vendor at its address set forth in Article 20 of the Security Document, or at such other address as the Vendor shall designate.

12. The Vendor hereby agrees with the Lessor that the Vendor will not, so long as no Event of Default under the Lease or event of default under the Security Document has occurred and is continuing, exercise or enforce, or seek to exercise or enforce, or avail itself of, any of the rights, powers, privileges, authorizations or benefits which are assigned and transferred by the Lessor to the Vendor by this Assignment, except the right to receive and apply the Payments as provided in Paragraph 1 hereof, and that, subject to the terms of the Lease and the Security Document, the Lessor may, so long as no event of default under the Security Document or Event of Default under the Lease has occurred and is continuing, exercise or enforce, or seek to exercise or enforce or avail itself of, such rights, powers, privileges, authorizations or benefits; provided, however, that the Lessor shall not, and shall not have any authority to, take any action which would terminate the Lease without the prior written consent of the Vendor.

13. Notwithstanding any other provision of this Assignment (including, but not limited to, any provision of the first paragraph of Paragraph 1 and Paragraph 3 hereof), (a) the terms of this Assignment shall not impose any obligations on the Lessor in addition to the obligations of the Lessor under the Lease or under the Security Document or in any way limit the effect of the last paragraph of Article 3 of the Security Document, Article 21 of the Security Document or Section 22 of the Lease, (b) so long as there is no event of default under the Security Document, and to the

extent that the Vendor does not seek to receive and collect any Payments under the Lease in excess of the amounts required to discharge the obligations of the Lessor under the Security Document, the terms of this Assignment shall not limit or in any way affect the Lessor's right to receive and collect any Payments under the Lease in excess of the obligations of the Lessor under the Security Document, or empower the Vendor in any way to waive or release the Lessee's obligation to pay such excess amounts, and the Lessor shall continue to be empowered to ask, demand, sue for, collect and receive any and all of such excess amounts, but shall not take any action under subparagraph (b) of Section 10 of the Lease without the written consent of the Vendor and (c) each and all of the warranties, representations, undertakings and agreements herein made on the part of the Lessor are each and every one of them made and intended not as personal representations, undertakings and agreements by The First National Bank and Trust Company of Evanston, or for the purpose or with the intention of binding said bank personally but are made and intended for the purpose of binding only the Trust Estate as such term is used in the Trust Agreement, and this Assignment is executed and delivered by the said bank solely in the exercise of the powers expressly conferred upon said bank as trustee under the Trust Agreement, and that no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against said bank, except for wilful misconduct or negligence, or against the Beneficiaries under the Trust Agreement (except under Section 5.01 thereof) or on account of any representation, undertaking or agreement of the Lessor or such Beneficiaries, either expressed or implied, all such personal liability (except as aforesaid, and, with respect to the Beneficiaries, except pursuant to the Participation Agreement and to their respective Letter Agreements (as defined in the Participation Agreement)), if any, being expressly waived and released by the Vendor and by all persons claiming by, through or under the Vendor; provided, however, that the Vendor or any person claiming by, through or under it, making claim hereunder, may look to said Trust Estate for satisfaction of the same.

14. This Assignment may be executed in any number of counterparts, all of which together shall constitute a single instrument.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed in their respective corporate names by officers thereunto duly authorized, and their

respective corporate seals to be affixed and duly attested, all as of the date first above written.

AMERICAN NATIONAL BANK AND TRUST
COMPANY OF CHICAGO, not in its
individual capacity but solely
as Agent,

[Corporate Seal]

by

Ronald Bean
Authorized Officer

Attest:

Brady
Authorized Officer

FIRST NATIONAL BANK AND TRUST
COMPANY OF EVANSTON,
not personally but solely as
trustee as aforesaid,

by

Warren E. Souer
~~1st~~ Vice President

[Corporate Seal]

Attest:

William F. French
Assistant Trust Officer

ASSISTANT VICE PRESIDENT
& TRUST OFFICER

STATE OF ILLINOIS,)
) ss.:
COUNTY OF COOK,)

On this 16 day of March 1977, before me personally appeared Ronald Bean, to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, that one of the seals affixed to the foregoing instrument is the corporate seal of said association, that said instrument was signed and sealed on behalf of said association by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said association.

Cassandra Coudinas
Notary Public

[Notarial Seal]

My Commission expires
EXPIRATION DATE MARCH 6, 1978.

STATE OF ILLINOIS,)
) ss.:
COUNTY OF COOK,)

On this 16th day of March 1977, before me personally appeared Warren E. Powers, to me personally known, who, being by me duly sworn, says that he is Vice President of FIRST NATIONAL BANK AND TRUST COMPANY OF EVANSTON, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Kathleen O'Brien
Notary Public

[Notarial Seal]

My Commission expires 6/20/77

LESSEE'S CONSENT AND AGREEMENT

The undersigned, CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY, a corporation duly incorporated under the laws of the State of Delaware, the Lessee (hereinafter called the Lessee) named in the Lease (hereinafter called the Lease) referred to in the foregoing Assignment of Lease and Agreement (hereinafter called the Assignment), hereby (a) acknowledges receipt of a copy of the Assignment and (b) consents to all the terms and conditions of the Assignment and agrees that:

(1) it will pay all rentals, casualty payments, liquidated damages, indemnities and other moneys provided for in the Lease in immediately available Chicago funds directly to American National Bank and Trust Company of Chicago, not in its individual capacity but solely as Agent (hereinafter called the Vendor), the assignee named in the Assignment, at LaSalle and Washington Streets, Chicago, Illinois 60690, Attention of Trust Department, Corporate Division (or at such other address as may be furnished in writing to the undersigned by the Vendor);

(2) the Vendor shall be entitled to the benefits of, and to receive and enforce performance of, all the covenants to be performed by the undersigned under the Lease as though the Vendor were named therein as the Lessor;

(3) the Vendor shall not, by virtue of the Assignment or this Consent and Agreement, be or become subject to any liability or obligation under the Lease or otherwise; and

(4) the Lease shall not, without the prior written consent of the Vendor, be amended, terminated or modified, nor shall any action be taken or omitted by the undersigned, the taking or omission of which might result in an alteration or impairment of the Lease or this Consent and Agreement or of any of the rights created by any thereof.

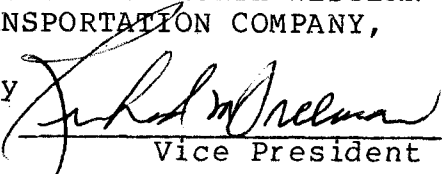
This Consent and Agreement shall be construed in

accordance with the laws of the State of Illinois.

Dated as of February 1, 1977


CHICAGO AND NORTH WESTERN
TRANSPORTATION COMPANY,

by


Vice President

[Corporate Seal]

Attest:


Assistant Secretary

STATE OF ILLINOIS,)
) ss.:
COUNTY OF COOK,)

On this 16th day of March 1977, before me personally appeared RICHARD FREEMAN, to me personally known, who, being by me duly sworn, says that he is Vice President of CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY, that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Lee Sumentek
Notary Public

[Notary Seal]

My Commission expires

Oct 27, 1980